MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2022/2023 (TERM 2215)

DFA5054 – FINANCIAL ACCOUNTING

(All sections / Groups)

18 FEBRUARY 2023

9.00 a.m – 11.00 a.m

(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **6** pages with **4** questions only.

2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

Part A

On 1 May 2022, Shawn started a business of selling and repairing a bicycle, Speed Wheels Enterprise. The company presented the following business transaction for the month:

May 1	Shawn invested RM164,000 cash in the business.
4	Purchased supplies from Big Tyre Bhd worth RM42,000 on account.
7	Purchased an office equipment at a cost of RM7,700; RM2,800 paid by cash and the remaining amount will be paid later.
11	Billed a customer of RM3,200 for the repairing service.
16	Paid Big Tyre Bhd RM10,000 by cash for the purchased made on May 4.
21	Shawn withdrew RM800 cash from the business for his personal use.
25	Received half payment for the service performed on May 11.
30	Paid a salary of RM12,300 and a rental of RM2,100.

Required

(a) Journalise the above transactions. (9 marks)

(b) Post all related journals in (a) to the cash account in T-account format. (4 marks)

Continued...

Part B

Green Leaf started the business on 1 August 2022. Following is the company's trial balance before adjustment on 31 August 2022:

Green Leaf

Trial Balance as at 31 August 2022

	Debit (RM)	**Credit (RM)**
Furniture	78,000	
Cash	38,400	
Accounts receivable	15,200	
Supplies	52,200	
Prepaid insurance	12,000	
Melon, capital		158,600
Service revenue		36,600
Unearned service revenue		6,700
Melon, drawings	1,500	
Accounts payable		17,100
Salaries expenses	6,300	
Prepaid rent	8,500	
Utilities Expenses	6,900	
	RM219,000	**RM219,000**

The following transactions for Green Leaf occurred in August 2022:

1. A count of supplies on 31 August 2022 shows RM32,200 of supplies still on hand.
2. Depreciation expense for furniture is 10% a year.
3. Unearned service revenue earned is RM1,600.
4. Accrued utilities for the month amounted to RM370.
5. Rental paid for the month of August until December for RM8,500.
6. Paid 1-year insurance with coverage from 1 August 2022.

Required

a) Prepare the adjusting entries for Green Leaf as at 31 August 2022. (6 marks)

b) Prepare the Adjusted Trial Balance as at 31 August 2022. (6 marks)

(Total: 25 marks)

Continued...

QUESTION 2

Following are the Adjusted Trial Balance of Triangle Berhad for the month ended 31 December 2022:

Triangle Berhad

Adjusted Trial Balance as at 31 December 2022

	Debit (RM)	Credit (RM)
Office Furniture	86,300	
Accumulated Depreciation – Office Furniture		10,300
Cash	35,400	
Accounts Receivable	15,700	
Supplies	28,100	
Shin, Capital		120,000
Accounts Payable		18,900
Shin, Drawings	2,800	
Service Revenue		57,200
Unearned Service Revenue		7,100
Rental Expenses	12,600	
Salaries and Wages Expenses	15,300	
Utilities Expense	7,900	
Depreciation Expenses – Office Furniture	9,400	
	RM213,500	**RM213,500**

Required

(a) Prepare Statement of Changes in Owner's Equity on 31 December 2022. (6 marks)

(b) Prepare the Classified Statement of Financial Position as at 31 December 2022. (9 marks)

(c) Prepare the closing entries for Triangle Berhad. (5.5 marks)

(d) Prepare a Post-Closing Trial Balance as at 31 December 2022. (4.5 marks)

(Total: 25 marks)

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QUESTION 3

Mr. Peter started a carpet selling business in 2018. The company uses a perpetual inventory system to record its inventories and the company's credit term is 4/15, n/30. The following transactions takes place during the month of January 2022:

Jan 1	Purchased 380 carpets from Aligaga Berhad for RM90 each, FOB shipping point. Credit term is 2/15, n/30.
2	Paid freight charges of RM730 for purchase on 1 Jan 2022.
6	Received RM90 credit each for 30 torn carpets returned to Aligaga Berhad.
10	Sold 35 carpets for RM120 each to Brilliant Kindergarten on credit.
13	Sold 60 carpets on account to Kids Wonderland for RM150 each, FOB shipping point. Freight cost is RM280.
15	Make a full settlement to Aligaga Berhad.
18	Granted Kids Wonderland RM750 credit for 5 unshipped carpets.
20	Purchased 120 carpets from Turkiye Style Berhad amounted to RM24,000 on account.
24	Received half payment from Brilliant Kindergarten.
26	Purchased a second-hand van by cash RM8,000.
28	Received full settlement from Kids Wonderland, less discounts.

Required

(a) Journalise the January transactions using a perpetual inventory system. (15 marks)

(b) Based on answer in (a), prepare the merchandise inventory account in T-account format with the balance brought down of RM10,300. (10 marks)

(Total: 25 marks)

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QUESTION 4

Part A

The bank statement of Bora Perfume, CIMB Bank shows a balance of RM56,930 as at 31 December 2022. Meanwhile, the cash balance per book for the same period is RM54,200.

The additional information is gathered for the preparation of bank reconciliation as follow:

i. The bank statement includes a RM1,230 deduction from a withdrawal which does not belong to the company. Bora Perfume notified the bank of this error.
ii. The amount of RM2,860 deposited on 31 December was not included in the bank statement.
iii. Outstanding cheque on 31 December totaled RM4,720.
iv. Note receivable was collected by CIMB Bank for Bora Perfume amounted to RM4,700, plus RM230 interest. The bank charged a RM20 collection fee. No interest has been accrued.
v. Cheques received from customers bounced due to insufficient funds as shown on the bank statement for RM2,250.
vi. Service charge was not recorded on 31 December amounted to RM560.

Required

Prepare the bank reconciliation for Bora Perfume as at 31 December 2022. (9.5 marks)

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Part B

Gates Sdn. Bhd. is a security fencing gate manufacturer. Following is the Comparative Statements of Financial Position as at 31 December 2021 and 2022 of the company:

Gates Sdn. Bhd.		
Comparative Statements of Financial Position as at 31 December		
	2021	**2022**
Assets	**(RM)**	**(RM)**
Land and building	230,000	265,000
Machinery (net)	140,000	200,000
Inventory	95,000	72,000
Accounts receivable (net)	53,000	35,000
Cash	67,000	78,000
Prepaid expenses	132,000	180,000
	RM717,000	**RM830,000**
Equity and Liabilities		
Owner's Capital	400,000	400,000
Retained Earnings	114,000	164,000
Notes payable	102,000	179,000
Accounts payable	47,000	56,000
Accrued expenses	54,000	31,000
	RM717,000	**RM830,000**

Additional information:

i. Net profit for year 2021 was RM548,000 and year 2022 was RM770,000.

ii. Cost of goods sold for year 2021 was RM430,000 and year 2022 was RM492,000.

Required

a) Prepare a schedule showing a horizontal analysis for 2022 using 2021 as the base year. (11 marks)

b) Compute the following ratios for 2022. Put your answers to 2 decimal places.

   i. Current ratio

   ii. Acid-test ratio

   iii. Accounts receivable turnover

[Note: Put your answers to 2 decimal places for percentage in answer (a) and (b)].

(4.5 marks)

(Total: 25 marks)

End of Paper